HOUSE BILL No. 1855

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12.

Synopsis: Property tax deductions for property in living trusts. Provides that the property tax deductions for the elderly, blind, disabled, disabled veterans, and World War I veterans may be claimed by a trust if a qualified individual owns a beneficial interest in the trust. Makes conforming amendments to the statutes that do not take effect until March 1, 2001.

Effective: January 1, 2000; March 1, 2001.

Kruse

January 26, 1999, read first time and referred to Committee on Ways and Means.

Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1855

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-1.1-12-9, AS AMENDED BY P.L.48-1996, SECTION 1 (CURRENT VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9. (a) An individual may obtain a deduction from the assessed value of the individual's real property, or mobile home which is not assessed as real property, if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed twenty thousand dollars ($20,000);

(3) the individual has owned the real property or mobile home for at least one (1) year before claiming the deduction; or the individual has been buying the real property under a contract that provides that the individual is to pay the property taxes on the real property or mobile home for at least one (1) year before claiming the deduction, and the contract or a memorandum of the contract is recorded in the county recorder's office;

(4) the individual and any individuals covered by subdivision (2)(B) reside on the real property or in the mobile home;

(5) the assessed value of the real property or mobile home does not exceed twenty-one thousand dollars ($21,000); and

(6) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, 37, and 38 of this chapter.

(b) Except as provided in subsection (h), in the case of real property, an individual's deduction under this section equals one thousand dollars ($1,000).

(c) Except as provided in subsection (h), in the case of a mobile home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the mobile home; or

(2) one thousand dollars ($1,000).

(d) An individual may not be denied the deduction provided under this section because the individual is absent from the real property or a mobile home while in a nursing home or hospital.

(e) For purposes of this section, if real property or a mobile home is owned by:

(1) tenants by the entirety;

(2) joint tenants; or

(3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

(1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;

(3) the surviving spouse has not remarried; and

(4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(6).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

(i) Notwithstanding the provisions of this section, a taxpayer other than an individual is entitled to the deduction provided by this section if:

(1) an individual resides on the real property or in the mobile home;

(2) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(3) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual and the individual's spouse for the calendar year preceding the year in which the deduction is claimed does not exceed twenty thousand dollars ($20,000);

(4) the assessed value of the real property or mobile home does not exceed twenty-one thousand dollars ($21,000);

(5) the taxpayer receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, 37, and 38 of this chapter;

(6) the real property or mobile home is located in Indiana;

(7) the individual has a beneficial interest in the taxpayer; and

(8) the taxpayer either owns the real property or mobile home or is buying the real property or mobile home under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the real property or mobile home.

SECTION 2. IC 6-1.1-12-9, AS AMENDED BY P.L.6-1997, SECTION 46 (DELAYED VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 9. (a) An individual may obtain a deduction from the assessed value of the individual's real property, or mobile home which is not assessed as real property, if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed twenty thousand dollars ($20,000);

(3) the individual has owned the real property or mobile home for at least one (1) year before claiming the deduction; or the individual has been buying the real property under a contract that provides that the individual is to pay the property taxes on the real property or mobile home for at least one (1) year before claiming the deduction, and the contract or a memorandum of the contract is recorded in the county recorder's office;

(4) the individual and any individuals covered by subdivision (2)(B) reside on the real property or in the mobile home;

(5) the assessed value of the real property or mobile home does not exceed sixty-three thousand dollars ($63,000); and

(6) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, 37, and 38 of this chapter.

(b) Except as provided in subsection (h), in the case of real property, an individual's deduction under this section equals three thousand dollars ($3,000).

(c) Except as provided in subsection (h), in the case of a mobile home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the mobile home; or

(2) three thousand dollars ($3,000).

(d) An individual may not be denied the deduction provided under this section because the individual is absent from the real property or a mobile home while in a nursing home or hospital.

(e) For purposes of this section, if real property or a mobile home is owned by:

(1) tenants by the entirety;

(2) joint tenants; or
(3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

(1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;
(2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;
(3) the surviving spouse has not remarried; and
(4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(6).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

(i) Notwithstanding the provisions of this section, a taxpayer other than an individual is entitled to the deduction provided by this section if:

(1) an individual resides on the real property or in the mobile home;
(2) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;
(3) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual and the individual's spouse for the calendar year preceding the year in which the deduction is claimed does not exceed twenty thousand dollars ($20,000);
(4) the assessed value of the real property or mobile home does not exceed sixty-three thousand dollars ($63,000);
(5) the taxpayer receives no other property tax deduction for the year in which the deduction is claimed, except the

deductions provided by sections 1, 37, and 38 of this chapter;
(6) the real property or mobile home is located in Indiana;
(7) the individual has a beneficial interest in the taxpayer; and
(8) the taxpayer either owns the real property or mobile home or is buying the real property or mobile home under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the real property or mobile home.

SECTION 3. IC 6-1.1-12-11, AS AMENDED BY P.L.48-1996, SECTION 2 (CURRENT VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 11. (a) An individual may have the sum of two thousand dollars ($2,000) deducted from the assessed value of real property that the individual owns, or that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, if the contract or a memorandum of the contract is recorded in the county recorder's office, and if:

(1) the individual is blind or the individual is a disabled person;
(2) the real property is principally used and occupied by the individual as the individual's residence; and
(3) the individual's taxable gross income for the calendar year preceding the year in which the deduction is claimed did not exceed seventeen thousand dollars ($17,000).

(b) For purposes of this section, taxable gross income does not include income which is not taxed under the federal income tax laws.

(c) For purposes of this section, "blind" has the same meaning as the definition contained in IC 12-7-2-21(1).

(d) For purposes of this section, "disabled person" means a person unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which:

(1) can be expected to result in death; or
(2) has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(e) Disabled persons filing claims under this section shall submit proof of disability in such form and manner as the department shall by rule prescribe. Proof that a claimant is eligible to receive disability benefits under the federal Social Security Act (42 U.S.C. 301 et seq.) shall constitute proof of disability for purposes of this section.

(f) A disabled person not covered under the federal Social Security Act shall be examined by a physician and the individual's status as a disabled person determined by using the same standards as used by the Social Security Administration. The costs of this examination shall be borne by the claimant.

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) Notwithstanding the provisions of this section, a taxpayer other than an individual is entitled to the deduction provided by this section if:

(1) the real property is principally used and occupied by an individual as the individual's residence;

(2) the individual is blind or the individual is a disabled person;

(3) the individual's taxable gross income for the calendar year preceding the year in which the deduction is claimed does not exceed seventeen thousand dollars ($17,000);

(4) the individual has a beneficial interest in the taxpayer; and

(5) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence.

SECTION 4. IC 6-1.1-12-11, AS AMENDED BY P.L.6-1997, SECTION 47 (DELAYED VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 11. (a) An individual may have the sum of six thousand dollars ($6,000) deducted from the assessed value of real property that the individual owns, or that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, if the contract or a memorandum of the contract is recorded in the county recorder's office, and if:

(1) the individual is blind or the individual is a disabled person;

(2) the real property is principally used and occupied by the individual as the individual's residence; and

(3) the individual's taxable gross income for the calendar year preceding the year in which the deduction is claimed did not exceed seventeen thousand dollars ($17,000).

(b) For purposes of this section, taxable gross income does not include income which is not taxed under the federal income tax laws.

(c) For purposes of this section, "blind" has the same meaning as the definition contained in IC 12-7-2-21(1).

(d) For purposes of this section, "disabled person" means a person unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which:

(1) can be expected to result in death; or

(2) has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(e) Disabled persons filing claims under this section shall submit proof of disability in such form and manner as the department shall by rule prescribe. Proof that a claimant is eligible to receive disability benefits under the federal Social Security Act (42 U.S.C. 301 et seq.) shall constitute proof of disability for purposes of this section.

(f) A disabled person not covered under the federal Social Security Act shall be examined by a physician and the individual's status as a disabled person determined by using the same standards as used by the Social Security Administration. The costs of this examination shall be borne by the claimant.

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) Notwithstanding the provisions of this section, a taxpayer other than an individual is entitled to the deduction provided by this section if:

(1) the real property is principally used and occupied by an individual as the individual's residence;

(2) the individual is blind or the individual is a disabled person;

(3) the individual's taxable gross income for the calendar year preceding the year in which the deduction is claimed does not exceed seventeen thousand dollars ($17,000);

(4) the individual has a beneficial interest in the taxpayer; and

(5) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence.

SECTION 5. IC 6-1.1-12-13, AS AMENDED BY P.L.1-1990, SECTION 68 (CURRENT VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 13. (a) An individual may have four thousand dollars ($4,000) deducted from the assessed value of the taxable tangible property that the individual owns, or real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, if the contract or a memorandum of the contract is recorded in the county recorder's office and if:

(1) the individual served in the military or naval forces of the

United States during any of its wars;

(2) the individual received an honorable discharge;

(3) the individual is disabled with a service connected disability of ten percent (10%) or more; and

(4) the individual's disability is evidenced by a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs.

(b) The surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) One who receives the deduction provided by this section may not receive the deduction provided by section 16 of this chapter. However, the individual may receive any other property tax deduction which the individual is entitled to by law.

(d) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(e) Notwithstanding the provisions of this section, a taxpayer other than an individual is entitled to the deduction provided by this section if:

(1) an individual has a beneficial interest in the taxpayer;

(2) the individual served in the military or naval forces of the United States during any of its wars;

(3) the individual received an honorable discharge;

(4) the individual is disabled with a service connected disability of ten percent (10%) or more;

(5) the individual's disability is evidenced by a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; and

(6) the taxpayer either owns the tangible property or is buying real property under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the real property.

SECTION 6. IC 6-1.1-12-13, AS AMENDED BY P.L.6-1997, SECTION 48 (DELAYED VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 13. (a) An individual may have twelve thousand dollars ($12,000) deducted from the assessed value of the taxable tangible property that the individual owns, or real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, if the contract or a memorandum of the contract is recorded in the county recorder's office and if:

(1) the individual served in the military or naval forces of the United States during any of its wars;

(2) the individual received an honorable discharge;

(3) the individual is disabled with a service connected disability of ten percent (10%) or more; and

(4) the individual's disability is evidenced by a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs.

(b) The surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) One who receives the deduction provided by this section may not receive the deduction provided by section 16 of this chapter. However, the individual may receive any other property tax deduction which the individual is entitled to by law.

(d) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(e) Notwithstanding the provisions of this section, a taxpayer other than an individual is entitled to the deduction provided by this section if:

(1) an individual has a beneficial interest in the taxpayer;

(2) the individual served in the military or naval forces of the United States during any of its wars;

(3) the individual received an honorable discharge;

(4) the individual is disabled with a service connected disability of ten percent (10%) or more;

(5) the individual's disability is evidenced by a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; and

(6) the taxpayer either owns the tangible property or is buying real property under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the real property.

SECTION 7. IC 6-1.1-12-14, AS AMENDED BY P.L.48-1996, SECTION 3 (CURRENT VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 14. (a) Except as provided in subsection (c), an individual may have the sum of two thousand dollars ($2,000) deducted from the assessed value of the tangible property that the individual owns (or the real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, if the contract or a memorandum of the contract is recorded in the county recorder's office) if:

(1) the individual served in the military or naval forces of the United States for at least ninety (90) days;

(2) the individual received an honorable discharge;

(3) the individual either:

(A) is totally disabled; or

(B) is at least sixty-two (62) years old and has a disability of at least ten percent (10%); and

(4) the individual's disability is evidenced by a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs.

(b) Except as provided in subsection (c), the surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) No one is entitled to the deduction provided by this section if the assessed value of the individual's tangible property, as shown by the tax duplicate, exceeds eighteen thousand dollars ($18,000).

(d) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(e) Notwithstanding the provisions of this section, a taxpayer other than an individual is entitled to the deduction provided by this section if:

(1) an individual has a beneficial interest in the taxpayer;

(2) the individual served in the military or naval forces of the United States for at least ninety (90) days;

(3) the individual received an honorable discharge;

(4) the individual either:

(A) is totally disabled; or

(B) is at least sixty-two (62) years of age and has a disability of at least ten percent (10%);

(5) the individual's disability is evidenced by a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; and

(6) the taxpayer either owns the tangible property or is buying real property under a contract, recorded in the county

recorder's office, that provides that the individual is to pay the property taxes on the real property.

SECTION 8. IC 6-1.1-12-14, AS AMENDED BY P.L.6-1997, SECTION 49 (DELAYED VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 14. (a) Except as provided in subsection (c), an individual may have the sum of six thousand dollars ($6,000) deducted from the assessed value of the tangible property that the individual owns (or the real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, if the contract or a memorandum of the contract is recorded in the county recorder's office) if:

(1) the individual served in the military or naval forces of the United States for at least ninety (90) days;

(2) the individual received an honorable discharge;

(3) the individual either:

(A) is totally disabled; or

(B) is at least sixty-two (62) years old and has a disability of at least ten percent (10%); and

(4) the individual's disability is evidenced by a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs.

(b) Except as provided in subsection (c), the surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) No one is entitled to the deduction provided by this section if the assessed value of the individual's tangible property, as shown by the tax duplicate, exceeds fifty-four thousand dollars ($54,000).

(d) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(e) Notwithstanding the provisions of this section, a taxpayer other than an individual is entitled to the deduction provided by this section if:

(1) an individual has a beneficial interest in the taxpayer;

(2) the individual served in the military or naval forces of the United States for at least ninety (90) days;

(3) the individual received an honorable discharge;

(4) the individual either:

(A) is totally disabled; or

(B) is at least sixty-two (62) years of age and has a

disability of at least ten percent (10%);

(5) the individual's disability is evidenced by a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; and

(6) the taxpayer either owns the tangible property or is buying real property under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the real property.

SECTION 9. IC 6-1.1-12-17.4, AS AMENDED BY P.L.48-1996, SECTION 4 (CURRENT VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000] Sec. 17.4. (a) A World War I veteran who is a resident of Indiana is entitled to have the sum of three thousand dollars ($3,000) deducted from the assessed valuation of the real property the veteran owns or is buying under a contract that requires the veteran to pay property taxes on the real property if the contract or a memorandum of the contract is recorded in the county recorder's office, including a mobile home which is assessed as real property, if:

(1) the real property is the veteran's principal residence;

(2) the assessed valuation of the real property does not exceed twenty-six thousand dollars ($26,000); and

(3) the veteran owns the real property for at least one (1) year before claiming the deduction.

(b) An individual may not be denied the deduction provided by this section because the individual is absent from the individual's principal residence while in a nursing home or hospital.

(c) For purposes of this section, if real property is owned by a husband and wife as tenants by the entirety, only one (1) deduction may be allowed under this section. However, the deduction provided in this section applies if either spouse satisfies the requirements prescribed in subsection (a).

(d) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section with respect to that real property.

(e) Notwithstanding the provisions of this section, a taxpayer other than an individual is entitled to the deduction provided by this section if:

(1) an individual uses the real property as the individual's principal place of residence;

(2) the individual is a World War I veteran;

(3) the real property is located in Indiana;

(4) the individual has a beneficial interest in the taxpayer;

(5) the assessed valuation of the real property does not exceed twenty-six thousand dollars ($26,000); and

(6) the taxpayer either owns the real property or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the real property.

SECTION 10. IC 6-1.1-12-17.4, AS AMENDED BY P.L.6-1997, SECTION 51 (DELAYED VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 17.4. (a) A World War I veteran who is a resident of Indiana is entitled to have the sum of nine thousand dollars ($9,000) deducted from the assessed valuation of the real property the veteran owns or is buying under a contract that requires the veteran to pay property taxes on the real property if the contract or a memorandum of the contract is recorded in the county recorder's office, including a mobile home which is assessed as real property, if:

(1) the real property is the veteran's principal residence;

(2) the assessed valuation of the real property does not exceed seventy-eight thousand dollars ($78,000); and

(3) the veteran owns the real property for at least one (1) year before claiming the deduction.

(b) An individual may not be denied the deduction provided by this section because the individual is absent from the individual's principal residence while in a nursing home or hospital.

(c) For purposes of this section, if real property is owned by a husband and wife as tenants by the entirety, only one (1) deduction may be allowed under this section. However, the deduction provided in this section applies if either spouse satisfies the requirements prescribed in subsection (a).

(d) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section with respect to that real property.

(e) Notwithstanding the provisions of this section, a taxpayer other than an individual is entitled to the deduction provided by this section if:

(1) an individual uses the real property as the individual's principal place of residence;

(2) the individual is a World War I veteran;

(3) the real property is located in Indiana;

(4) the individual has a beneficial interest in the taxpayer;

(5) the assessed valuation of the real property does not exceed seventy-eight thousand dollars ($78,000); and
(6) the taxpayer either owns the real property or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the real property.